

Attachment 6 - Rates and Annual Charges Protocols - SVC-FIN-PR-050-01 Adopted

Procedure Title	Rates and Annual Charges Protocols
Procedure Category	Operational
Number & Version	SVC-FIN-PR-050-01
Procedure Owner	Finance
Approval by	Council – 21 November 2019
Effective date	28 December 2019
Date for review	September 2020

1 POLICY STATEMENT

Payment of rates and charges is an important obligation of all property owners. Revenue collected from rates and charges is used to help provide a wide range of services and facilities to everyone that lives, works and visits the Snowy Valleys Council (Council) area. Without this revenue Council would not be able to function or meet the needs of the local community.

2 DEFINITIONS

Act	NSW Local Government Act 1993
Interest	The fee charged by Council, expressed as a percentage, on Rates and charges that remain unpaid after the due date.
Interest Rate	Made in accordance with Section 566 of the Local Government Act 1993
Rate payer	The person liable for the payment of rates and charges for the property in accordance with section 560 of the Local Government Act 1993
Land Value	Determined in accordance with the Valuation of Land Act 1916
Parcel of Land	Is a portion or parcel of land which is separately valued under the Valuation of Land Act.
"jointly eligible occupier"	in Division 1 of Part 8 of Chapter 15, in relation to a rate or charge in respect of which an eligible pensioner is jointly liable, means a person who: (a) is the spouse or de facto partner of that eligible pensioner, or (b) is another eligible pensioner, or (c) if another eligible pensioner and his or her spouse or de facto partner have the same sole or principal place of dwelling, is the spouse or de facto partner of that other eligible pensioner, and whose sole or principal place of living is the same as that of that first mentioned eligible pensioner.

3 METHOD

3.1 Payment of Rates and Annual Charges

Rates notices are issued by 1 August each year in accordance with Section 562 of the Local Government Act 1993.

Section 562(3) of the Act defines that rates and annual charges may be paid by a single instalment by 31 August or by quarterly instalments. If payments are made by quarterly instalments, the instalments are payable as follows:

Instalment 1 - Due 31 August
Instalment 2 – Due 30 November
Instalment 3 – Due 28 February
Instalment 4 – Due 31 May

Instalment reminder notices are issued on or before 31 October, 31 January and 30 April of each financial year.

Rates and charges not paid by the due date are considered outstanding.

3.2 Interest

Council will charge interest on outstanding rates and charges that remain unpaid 7 days after they become due and payable. Interest is charged in accordance with Section 566 of the Act. Interest accrues on a daily basis. The rate of interest is that set by Council but not exceeding the rate specified by the Minister for Local Government. Accrued interest is, for the purpose of its recovery, taken to be a charge which is due and payable.

Interest is not removed if the ratepayer declares they did not receive their rates notices. Council has no way to identify this and it is the responsibility of the owner to ensure rates are paid each year by the instalment due dates.

3.3 Levy of Rates

The Local Government Act requires rates to be levied on each "parcel of land" which is separately valued and also for each parcel of land to be placed in one of four categories or sub categories.

Following the subdivision of a parcel of land, rates cannot be levied on new lots until supplementary valuations have been provided to Council from the Valuer General/Property NSW and Council has categorised each parcel of land.

Once this has been completed rates are to be levied from the beginning of the next complete rating year, exception being the July supplementary levy that have transactions processed from the previous financial year and finalised in July (A sale may have been completed in June, however only come through in July supplementary levy). These will be raised in the current rating year. Also where a property proposal was not provided to Council in a supplementary list and effective in a previous year will be effective in the current financial year.

If land is subdivided and a part is sold or let any unpaid rates or charges may be apportioned by the Council on recommendation of the Valuer-General. Sec 573.

3.4 Charging of Annual Charges

By Virtue of section 501(1) of the Act, Council is empowered to make and levy an annual charge for any of the following services provided or proposed to be provided on an annual basis by Council:

- Water supply services
- Sewerage services
- Drainage services
- Waste management services (other than domestic waste management services)
- Any services prescribed by the regulations

For any newly subdivided lands the new parcel of land created will be levied once connection for use has been established, or from the commencement of the next rating year, whichever is the sooner.

3.5 Pensioner

Council will provide a rebate of rates to eligible pensioners under section 575 of the Local Government Act 1993.

Eligibility holder of the cards listed below are eligible for the concession:

- Holders of a Pensioner Concession Card (PCC);
- Holders of a gold card embossed with 'TPI' (Totally Permanently Incapacitated);
- Holders of a gold card embossed with 'EDA' (Extreme Disablement Adjustment)
- War widow or widower or wholly dependent partner entitled to the DVA income support supplement.*

Holders of cards other than those listed above are not eligible for the concession.

*If you are a war widow or widower or wholly dependent partner but do not have a Pensioner Concession Card, you should contact the Department of Veterans' Affairs (DVA) to test your eligibility. Eligibility is determined by an income and assets test.

The rebate available to eligible pensioners is set out in Section 575(3) of the Local Government Act (1993). The total amount by which:

- (a) all ordinary rates and charges for domestic waste management services levied on any land for the same year are reduced is not to exceed \$250, and
- (b) all water supply special rates and charges so levied or reduced not to exceed \$87.50, and
- (c) all sewerage special rates or charges so levied are reduced is not to exceed \$87.50

An *Application for Pensioner* rebates is to be made on a form approved by the Director General of the Office of Local Government.

The rebate will be shown on the Rates and Charges notice and will be deducted from the total amount payable.

If an eligible pensioner is the person solely liable, or a person jointly liable with one or more other persons, for a rate or charge levied on land on which a dwelling is situated, the rate or charge is, to be reduced in accordance with this section.

The amount by which a rate or charge is required to be reduced is:

- (a) if the person making the application is, on the date on which the rate or charge is levied, an eligible pensioner who is solely liable or jointly liable with one or more jointly eligible occupiers but with no other person for the rate or charge--one-half of the rate or charge, or
- (b) if the person making the application is, on the date on which the rate or charge is levied, an eligible pensioner who is jointly liable with one other person who is not a jointly eligible occupier, or with two or more other persons, any of whom is not a jointly eligible occupier for the rate or charge--an amount that bears to one-half of the rate or charge the same

proportion as the part of that rate or charge for which, as between all persons liable to pay the rate or charge, the applicant and any jointly eligible occupier are liable bears to the whole of that rate or charge.

There will be an exception where a legal agreement exists that makes the eligible pensioners solely liable for payment of the rates. In this case the full rebate will apply. Legal document must be provided to Council as proof.

If a person becomes an eligible pensioner after the day on which a rate or charge is made and levied, the person is entitled to a reduction under this section of the rate or charge proportionate to the number of full quarters remaining after the day on which the person becomes an eligible pensioner in the year for which the rate or charge is made.

If an eligible pensioner becomes ineligible for any reason, the Council rebate will be written back proportionally according to the number of full quarters left in the rating year (Section 58 of the Local Government Act 1993).

If a property sells and a pensioner rebate currently exists it will be removed from the next full quarter or if a pensioner purchases a property it will be applicable from the next full quarter.

Pensioner rebates will only be applied in the current financial year and will not be backdated unless exceptional circumstances such as hardship. A *Hardship Assistance Application* must be completed and submitted for review with this request.

4 RESPONSIBILITIES/ACCOUNTABILITIES

Group/ Officer	Responsibilities
Rates Officer	To ensure the recovery is undertaken as per this policy.

5 ASSOCIATED LEGISLATION

Local Government Act 1993 NSW
Local Government (General Regulation) 2005

6 ASSOCIATED COUNCIL DOCUMENTS

Hardship Assistance Application Form – SVC–FIN–F-125
Arrangements to Settle Accounts Policy – SVC-FIN-PO-084
Arrangements to Settle Account Form – SVC-FIN-F-126
Debt Recovery Policy – SVC-FIN-PO-086
Complaints Management Policy – SVC–COR-PO-037

7 HISTORY

Date	Action	Name	Policy Number	Resolution Date	Resolution Number
28/12/2019	Approved after public exhibition 28/12/2019	Arrangements to Settle Account Policy	SVC-FIN-PR-050-01	21/11/2019	M382/19